

**ASSEMBLY BILL**

**No. 2066**

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**Introduced by Assembly Member Hall**

February 20, 2014

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An act to amend Section 12715 of the Government Code, relating to tribal gaming.

LEGISLATIVE COUNSEL'S DIGEST

AB 2066, as introduced, Hall. Tribal gaming: local agencies.

Existing law creates in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from certain Indian tribes pursuant to the terms of gaming compacts entered into with the state. Existing law authorizes moneys in that fund to be used for specified purposes, including for grants for the support of state and local government agencies impacted by tribal government gaming. Existing law, until January 1, 2021, creates a County Tribal Casino Account in the treasury of each county that contains a tribal casino, which is funded according to specified formulas. Existing law requires the Controller to divide the County Tribal Casino Account for each county that has gaming devices that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund into a separate account, known as an Individual Tribal Casino Account, for each tribe that operates a casino within the county. Each Individual Tribal Casino Account is required to be funded in proportion to the amount that each individual tribe paid in the prior fiscal year to the Indian Gaming Special Distribution Fund, and used for grants to local agencies impacted by tribal casinos, as specified. Existing law establishes an Indian Gaming Local Community Benefit Committee in each county in which gaming is conducted, specifies the

composition and responsibilities of that committee, and requires that committee to make the selection of grants from the casino accounts. Among other things, the committee is responsible for establishing all application policies and procedures for grants from the casino accounts.

Existing law requires funds not allocated from a County Tribal Casino Account or an Individual Tribal Casino Account for the grants by the end of each fiscal year to revert back to the Indian Gaming Special Distribution Fund, except for moneys allocated for specified fiscal years, which are required to be eligible for expenditure through the calendar year.

This bill would delete the obsolete provisions relating to allocations made in those specified fiscal years.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 12715 of the Government Code is  
2 amended to read:

3 12715. (a) The Controller, acting in consultation with the  
4 California Gambling Control Commission, shall divide the County  
5 Tribal Casino Account for each county that has gaming devices  
6 that are subject to an obligation to make contributions to the Indian  
7 Gaming Special Distribution Fund into a separate account for each  
8 tribe that operates a casino within the county. These accounts shall  
9 be known as Individual Tribal Casino Accounts, and funds may  
10 be released from these accounts to make grants selected by an  
11 Indian Gaming Local Community Benefit Committee pursuant to  
12 the method established by this section to local jurisdictions  
13 impacted by tribal casinos. Each Individual Tribal Casino Account  
14 shall be funded in proportion to the amount that each individual  
15 tribe paid in the prior fiscal year to the Indian Gaming Special  
16 Distribution Fund.

17 (b) (1) There is hereby created in each county in which Indian  
18 gaming is conducted an Indian Gaming Local Community Benefit  
19 Committee. The selection of all grants from each Individual Tribal  
20 Casino Account or County Tribal Casino Account shall be made  
21 by each county's Indian Gaming Local Community Benefit  
22 Committee. In selecting grants, the Indian Gaming Local  
23 Community Benefit Committee shall follow the priorities

1 established in subdivision (g) and the requirements specified in  
2 subdivision (h). This committee has the following additional  
3 responsibilities:

4 (A) Establishing all application policies and procedures for  
5 grants from the Individual Tribal Casino Account or County Tribal  
6 Casino Account. Each grant application shall clearly show how  
7 the grant will mitigate the impact of the casino on the grant  
8 applicant.

9 (B) Assessing the eligibility of applications for grants from local  
10 jurisdictions impacted by tribal gaming operations.

11 (C) Determining the appropriate amount for reimbursement  
12 from the aggregate county tribal account of the demonstrated costs  
13 incurred by the county for administering the grant programs. The  
14 reimbursement for county administrative costs may not exceed 2  
15 percent of the aggregate county tribal account in any given fiscal  
16 year.

17 (2) Except as provided in Section 12715.5, the Indian Gaming  
18 Local Community Benefit Committee shall be composed of seven  
19 representatives, consisting of the following:

20 (A) Two representatives from the county, selected by the county  
21 board of supervisors.

22 (B) Three elected representatives from cities located within four  
23 miles of a tribal casino in the county, selected by the county board  
24 of supervisors. In the event that there are no cities located within  
25 four miles of a tribal casino in the county, other local  
26 representatives may be selected upon mutual agreement by the  
27 county board of supervisors and a majority of the tribes paying  
28 into the Indian Gaming Special Distribution Fund in the county.  
29 When there are no cities within four miles of a tribal casino in the  
30 county, and when the Indian Gaming Local Community Benefit  
31 Committee acts on behalf of a county where no tribes pay into the  
32 Indian Gaming Special Distribution Fund, other local  
33 representatives may be selected upon mutual agreement by the  
34 county board of supervisors and a majority of the tribes operating  
35 casinos in the county. However, if only one city is within four  
36 miles of a tribal casino and that same casino is located entirely  
37 within the unincorporated area of that particular county, only one  
38 elected representative from that city shall be included on the Indian  
39 Gaming Local Community Benefit Committee.

1 (C) Two representatives selected upon the recommendation of  
2 a majority of the tribes paying into the Indian Gaming Special  
3 Distribution Fund in each county. When an Indian Gaming Local  
4 Community Benefit Committee acts on behalf of a county ~~where~~  
5 *in which* no tribes pay into the Indian Gaming Special Distribution  
6 Fund, the two representatives may be selected upon the  
7 recommendation of the tribes operating casinos in the county.

8 (c) Sixty percent of each Individual Tribal Casino Account shall  
9 be available for nexus grants on a yearly basis to cities and counties  
10 impacted by tribes that are paying into the Indian Gaming Special  
11 Distribution Fund, according to the four-part nexus test described  
12 in paragraph (1). Grant awards shall be selected by each county's  
13 Indian Gaming Local Community Benefit Committee and shall  
14 be administered by the county. Grants may be awarded on a  
15 multiyear basis, and these multiyear grants shall be accounted for  
16 in the grant process for each year.

17 (1) A nexus test based on the geographical proximity of a local  
18 government jurisdiction to an individual Indian land upon which  
19 a tribal casino is located shall be used by each county's Indian  
20 Gaming Local Community Benefit Committee to determine the  
21 relative priority for grants, using the following criteria:

22 (A) Whether the local government jurisdiction borders the Indian  
23 lands on all sides.

24 (B) Whether the local government jurisdiction partially borders  
25 Indian lands.

26 (C) Whether the local government jurisdiction maintains a  
27 highway, road, or other thoroughfare that is the predominant access  
28 route to a casino that is located within four miles.

29 (D) Whether all or a portion of the local government jurisdiction  
30 is located within four miles of a casino.

31 (2) Fifty percent of the amount specified in *this* subdivision ~~(e)~~  
32 shall be awarded in equal proportions to local government  
33 jurisdictions that meet all four of the nexus test criteria in paragraph  
34 (1). If no eligible local government jurisdiction satisfies this  
35 requirement, the amount specified in this paragraph shall be made  
36 available for nexus grants in equal proportions to local government  
37 jurisdictions meeting the requirements of paragraph (3) or (4).

38 (3) Thirty percent of the amount specified in *this* subdivision  
39 ~~(e)~~ shall be awarded in equal proportions to local government  
40 jurisdictions that meet three of the nexus test criteria in paragraph

1 (1). If no eligible local government jurisdiction satisfies this  
2 requirement, the amount specified in this paragraph shall be made  
3 available for nexus grants in equal proportions to local government  
4 jurisdictions meeting the requirements of paragraph (2) or (4).

5 (4) Twenty percent of the amount specified in *this* subdivision  
6 ~~(e)~~ shall be awarded in equal proportions to local government  
7 jurisdictions that meet two of the nexus test criteria in paragraph  
8 (1). If no eligible local government jurisdiction satisfies this  
9 requirement, the amount specified in this paragraph shall be made  
10 available for nexus grants in equal proportions to local government  
11 jurisdictions meeting the requirements of paragraph (2) or (3).

12 (d) Twenty percent of each Individual Tribal Casino Account  
13 shall be available for discretionary grants to local jurisdictions  
14 impacted by tribes that are paying into the Indian Gaming Special  
15 Distribution Fund. These discretionary grants shall be made  
16 available to all local jurisdictions in the county irrespective of any  
17 nexus to impacts from any particular tribal casino, as described in  
18 paragraph (1) of subdivision (c). Grant awards shall be selected  
19 by each county's Indian Gaming Local Community Benefit  
20 Committee and shall be administered by the county. Grants may  
21 be awarded on a multiyear basis, and these multiyear grants shall  
22 be accounted for in the grant process for each year.

23 (e) (1) Twenty percent of each Individual Tribal Casino Account  
24 shall be available for discretionary grants to local jurisdictions  
25 impacted by tribes that are not paying into the Indian Gaming  
26 Special Distribution Fund. These grants shall be made available  
27 to local jurisdictions in the county irrespective of any nexus to  
28 impacts from any particular tribal casino, as described in paragraph  
29 (1) of subdivision (c), and irrespective of whether the impacts  
30 presented are from a tribal casino that is not paying into the Indian  
31 Gaming Special Distribution Fund. Grant awards shall be selected  
32 by each county's Indian Gaming Local Community Benefit  
33 Committee and shall be administered by the county. Grants may  
34 be awarded on a multiyear basis, and these multiyear grants shall  
35 be accounted for in the grant process for each year.

36 (A) Grants awarded pursuant to this subdivision are limited to  
37 addressing service-oriented impacts and providing assistance with  
38 one-time large capital projects related to Indian gaming impacts.

39 (B) Grants shall be subject to the sole sponsorship of the tribe  
40 that pays into the Indian Gaming Special Distribution Fund and

1 the recommendations of the Indian Gaming Local Community  
2 Benefit Committee for that county.

3 (2) If an eligible county does not have a tribal casino operated  
4 by a tribe that does not pay into the Indian Gaming Special  
5 Distribution Fund, the moneys available for discretionary grants  
6 under this subdivision shall be available for distribution pursuant  
7 to subdivision (d).

8 (f) (1) For each county that does not have gaming devices  
9 subject to an obligation to make payments to the Indian Gaming  
10 Special Distribution Fund, funds may be released from the county's  
11 County Tribal Casino Account to make grants selected by the  
12 county's Indian Gaming Local Community Benefit Committee  
13 pursuant to the method established by this section to local  
14 jurisdictions impacted by tribal casinos. These grants shall be made  
15 available to local jurisdictions in the county irrespective of any  
16 nexus to any particular tribal casino. These grants shall follow the  
17 priorities specified in subdivision (g) and the requirements specified  
18 in subdivision (h).

19 (2) Funds not allocated from a ~~county tribal casino account~~  
20 *County Tribal Casino Account* by the end of each fiscal year shall  
21 revert back to the Indian Gaming Special Distribution Fund.  
22 ~~Moneys allocated for the 2003-04 fiscal year shall be eligible for~~  
23 ~~expenditure through December 31, 2004.~~

24 (g) The following uses shall be the priorities for the receipt of  
25 grant moneys from Individual Tribal Casino Accounts: law  
26 enforcement, fire services, emergency medical services,  
27 environmental impacts, water supplies, waste disposal, behavioral,  
28 health, planning and adjacent land uses, public health, roads,  
29 recreation and youth programs, and child care programs.

30 (h) In selecting grants pursuant to subdivision (b), an Indian  
31 Gaming Local Community Benefit Committee shall select only  
32 grant applications that mitigate impacts from casinos on local  
33 jurisdictions. If a local jurisdiction uses a grant selected pursuant  
34 to subdivision (b) for any unrelated purpose, the grant shall  
35 terminate immediately and any moneys not yet spent shall revert  
36 to the Indian Gaming Special Distribution Fund. If a local  
37 jurisdiction approves an expenditure that mitigates an impact from  
38 a casino on a local jurisdiction and that also provides other benefits  
39 to the local jurisdiction, the grant selected pursuant to subdivision

(b) shall be used to finance only the proportionate share of the expenditure that mitigates the impact from the casino.

(i) All grants from Individual Tribal Casino Accounts shall be made only upon the affirmative sponsorship of the tribe paying into the Indian Gaming Special Distribution Fund from whose Individual Tribal Casino Account the grant moneys are available for distribution. Tribal sponsorship shall confirm that the grant application has a reasonable relationship to a casino impact and satisfies at least one of the priorities listed in subdivision (g). A grant may not be made for any purpose that would support or fund, directly or indirectly, any effort related to the opposition or challenge to Indian gaming in the state, and, to the extent any awarded grant is utilized for any prohibited purpose by any local government, upon notice given to the county by any tribe from whose Individual Tribal Casino Account the awarded grant went toward that prohibited use, the grant shall terminate immediately and any moneys not yet used shall again be made available for qualified nexus grants.

(j) A local government jurisdiction that is a recipient of a grant from an Individual Tribal Casino Account or a County Tribal Casino Account shall provide notice to the public, either through a slogan, signage, or other mechanism, stating that the local government project has received funding from the Indian Gaming Special Distribution Fund and further identifying the particular Individual Tribal Casino Account from which the grant derives.

(k) (1) Each county's Indian Gaming Local Community Benefit Committee shall submit to the Controller a list of approved projects for funding from Individual Tribal Casino Accounts. Upon receipt of this list, the Controller shall release the funds directly to the local government entities for which a grant has been approved by the committee.

(2) Funds not allocated from an Individual Tribal Casino Account by the end of each fiscal year shall revert back to the Indian Gaming Special Distribution Fund. ~~Moneys allocated for the 2003-04 fiscal year shall be eligible for expenditure through December 31, 2004. Moneys allocated for the 2008-09 fiscal year shall be eligible for expenditure through December 31, 2009.~~

(l) Notwithstanding any other law, a local government jurisdiction that receives a grant from an Individual Tribal Casino Account shall deposit all funds received in an interest-bearing

1 account and use the interest from those funds only for the purpose  
2 of mitigating an impact from a casino. If any portion of the funds  
3 in the account is used for any other purpose, the remaining portion  
4 shall revert to the Indian Gaming Special Distribution Fund. As a  
5 condition of receiving further funds under this section, a local  
6 government jurisdiction, upon request of the county, shall  
7 demonstrate to the county that all expenditures made from the  
8 account have been in compliance with the requirements of this  
9 section.

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